# RIGINAL



## BEFORE THE ARIZONA CORPORATION COMMISSION

1 2010 MAY -6 P 4: 41 2 KRISTIN K. MAYES Chairman 3 AZ CORP COMMISSION **GARY PIERCE** DOCKET CONTROL 4 Commissioner 5 PAUL NEWMAN Commissioner 6 SANDRA D. KENNEDY 7 Commissioner 8 BOB STUMP Commissioner 9 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. W-01303A-09-0343 ARIZONA-AMERICAN WATER COMPANY, 10 AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR 11 VALUE OF ITS UTILITY PLANT AND 12 PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON 13 FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT. 14 15 IN THE MATTER OF THE APPLICATION OF DOCKET NO. SW-01303A-09-0343 16 ARIZONA-AMERICAN WATER COMPANY. AN ARIZONA CORPORATION, FOR A 17 DETERMINATION OF THE CURRENT FAIR Arizona Corporation Commission VALUE OF ITS UTILITY PLANT AND **DOCKETED** PROPERTY AND FOR INCREASES IN ITS 18 RATES AND CHARGES BASED THEREON 19 MAY - 6 2010 FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER

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#### NOTICE OF LATE FILED EXHIBIT

At the hearing, Arizona-American Water Company agreed to file as a latefiled exhibit email correspondence with the Daisy Mountain Fire District relating to fire hydrants within the district. Attached to this filing are those emails.

DISTRICT, ITS SUN CITY WASTEWATER

DISTRICT AND ITS SUN CITY WEST

WASTEWATER DISTRICT.

DOCKETED BY

### RESPECTFULLY SUBMITTED this 6th day of May, 2010.

LEWIS AND ROCA LLP

Ml Hel Thomas H. Campbell Michael T. Hallam

40 North Central Avenue

Phoenix, AZ 85004

Attorneys for Arizona-American Water Company

ORIGINAL and thirteen (13) copies of the foregoing filed this 6th day of May, 2010, with:

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The Arizona Corporation Commission Utilities Division – Docket Control 1200 W. Washington Street Phoenix, Arizona 85007

Copy of the foregoing hand-delivered this 6th day of May, 2010, to:

16 Steve Olea **Utilities Division** 17 Arizona Corporation Commission 1200 W. Washington Street 18 Phoenix, Arizona 85007

> Teena Wolfe, Administrative Law Judge Hearing Division Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007

Robin Mitchell Maureen Scott Legal Division Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007

1 2	Copy of the foregoing mailed this 6th day of May, 2010, to:	
3 4	Judith M. Dworkin Sacks Tierney PA 4250 N. Drinkwater Blvd., Fourth Floor Scottsdale, AZ 85251-3693	Lawrence V. Robertson, Jr. P.O. Box 1448 Tubac, AZ 85646-1448 Attorney for Anthem Community Council
5	Attorney for Anthem Community Council	
6	Daniel W. Pozefsky, Chief Counsel Residential Utility Consumer Office 1110 West Washington Street	Jeff Crockett Robert Metli SNELL & WILMER
7 8	Suite 220 Phoenix, Arizona 85007	One Arizona Center 400 E. Van Buren Street Phoenix, AZ 85004-2202
9		Attorneys for Resorts
10	Larry Woods Property Owners and Residents Assoc. 13815 E. Camino Del Sol	Bradley J. Herrema Robert J. Saperstein Brownstein Hyatt Farber Schreck, LLP
11	Sun City West, AZ 85375-4409	21 E. Carrillo St Santa Barbara, CA 83101
12	W.R. Hansen	Greg Patterson Water Utility Association of Arizona
13 14	12302 W. Swallow Drive Sun City West, AZ 85375	Water Utility Association of Arizona 916 W. Adams, Suite 3 Phoenix, AZ 85007
15	Andrew M. Miller Town Attorney	Desi Howe Anthem Golf and Country Club
16	Town of Paradise Valley 6401 E. Lincoln Drive Paradise Valley, AZ 85253	2708 W. Anthem Club Drive Anthem, AZ 85086
17	Marshall Magruder	Joan S. Burke
18	P.O. Box 1267 Tubac, AZ 85646	Law Office of Joan S. Burke 1650 N. First Avenue
19	14040,112 000 10	Phoenix, AZ 85003 Joan@jsburkelaw.com
20	N	Electronic Service Only Preferred
21	Norman D. James Fennemore Craig, P.C.	Larry D. Woods 15141 W. Horseman Lane
22	3003 N. Central Suite 2600 Phoenix, AZ 85012	Sun City West, AZ 85375
23	Philip H. Cook	
24	10122 W. Signal Butte Circle Sun City AZ 85373	
25	~	

3

Jeffrey W Stuck/AZAWC/AWWSC

10/08/2009 11:45 AM

To phil.dyer(

CC

bcc Troy.Day

Subject Anthem fire hydrant maintenance

Phil, Jessica Marlow of the Anthem Community Council Utility Committee recently contacted Paul Townsley with Arizona American Water regarding fire hydrant maintenance activities in the Anthem service area. I responded to this message and included a copy to you.

Would you be available to meet and discuss an agreement between Arizona American Water and Daisy Mountain Fire regarding fire hydrant maintenance. I can show you the work we have performed this year as well as review the procedure we use to inspect, maintain, and repair fire hydrants in Anthem on an ongoing basis. I'd be interested to get your input on our program and perhaps make adjustments you may feel would improve it. I'd also be interested to find out if Daisy Mountain Fire would like to flow test hydrants in the Anthem service area in a cooperative fashion. Please let me know if you'd be interested in meeting to discuss these items.

Jeff

·Jeffrey W Stuck/AZAWC/AWWSC

10/21/2009 10:11 AM

To phil.dyer@

CC

bcc Troy.Day@

Subject Anthem fire hydrant maintenance

Phil, I sent an email on October 8th inquiring if it would be possible to meet and discuss the hydrant maintenance program Arizona American Water implements in the Anthem service area and to also explore the possibility to cooperatively flow test the hydrants in the service area. I can be reached at the numbers listed below or by email if you would be interested in this effort. If your not the correct person within Daisy Mountain Fire to coordinate with could you provide me with the name and contact of who I should reach out to? Thanks and look forward to hearing from you.

Jeff

·Jeffrey W Stuck/AZAWC/AWWSC

10/28/2009 01:51 PM

To phil.dyer@

CC

bcc

Subject Anthem Hydrant testing

Phil, nice to speak with you on Monday. I was hoping to set up a meeting to where we could bring a map of our hydrant locations as well has flow and pressure data for the hydrants from our hydraulic model of the distribution system. I could go over our hydrant maintenance practice and see if you have any suggestions for improvements and we could identify actual flow tests that can be performed.

Could you let me know when you might be available to meet in the next few weeks and I'll work to schedule it. If you'd prefer to discuss over the phone my contact information is listed below.

Thanks, we look forward to working with your organization on this important program.

Jeff



#### phil.dyer@ org 10/30/2009 08:57 AM

To Jeffrey.Stuck

CC

bcc

Subject RE: Anthem Hydrant testing

History: 의 대화 This message has been forwarded.

Jeff.

Lets try the 3rd or the 4th. If your in the Sun City office we can meet in the middle, you call it. Thanks.

Phil

----Original Message----From: Jeffrey.Stuck@

Sent: Wednesday, October 28, 2009 1:51pm

To: phil.dyer@c

Subject: Anthem Hydrant testing

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Thanks, we look forward to working with your organization on this important program.

Jeff

·Jeffrey W Stuck/AZAWC/AWWSC

11/19/2009 11:58 AM

To Fire.marshal@i phil.dyer@

cc Michael.Helton( Candace.Coleman(

bcc Troy.Day(

Subject Anthem Fire Hydrant meeting

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AAW is working to obtain model agreements with Fire Departments at other American Water systems. We can then use that to model a written agreement for the above activities, as well as any additional, between AAW and Daisy Mountain Fire.

Daisy Mountain Fire will also provide any feedback or suggested changes to the AAW Dry Barrel Hydrant Maintenance Practice.

I think this covers our major discussion points. Again, thanks for the meeting Phil, it was very productive and was a great opportunity to meet. Please let me know if you think I've misstated or omitted anything from our discussion.

We look forward to finalizing an agreement/MOU for this partnership in the very near future.

On a separate note, I am working with our vendor to secure a few pallets of bottled water that we can donate to your organization for use in cases of emergency/distress for those folks you are assisting. As soon as I get details of that I'll be in touch.

Jeff			
Jeffrey Stuck	 · · · · · · · · · · · · · · · · · · ·	 	



phil.dyer@c org 11/23/2009 10:58 AM To Jeffrey.Stuck@:

CC

bcc

Subject RE: Anthem Fire Hydrant meeting

Jeff.

I will be in a board meeting to night covering our meeting, ideas, and a potential agreement/ MOU with AAW & DMFD. I will forward any information, questions, comments, ideas, form the board to you tomorrow morning,11/24/09.

Daisy Mountain Fire and Arizona American Water working together will have a positive impact in the community we serve.

Phillip Dyer Captain, Paramedic Fire Prevention Daisy Mountain Fire

----Original Message----From: Jeffrey.Stuck@

Sent Thursday, November 19, 2009 11:58am

To: Fire.marshal@' phil.dyer@c
Co: Michael.Helton@ Candace.Coleman@

Subject: Anthem Fire Hydrant meeting

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On a separate note, I am working with our vendor to secure a few pallets of bottled water that we can donate to your organization for use in cases of emergency/distress for those folks you are assisting. As soon as I get details of that I'll be in touch.

Jeff



phil.dver@:

11/25/2009 12:25 PM

To Jeffrey.Stuck@

cc "Jessica Marlow" < MAXWELL" <

bcc

Subject RE: Anthem Fire Hydrant meeting

NA SANTAN TANÀN NA SANTAN NA S

₽ This message has been replied to:

Jeff.

This is a quick update, we had quite a discussion with the board Monday night, details to follow next

Have a great Thanksgiving.

Phil

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Sent: Thursday, November 19, 2009 11:58am

To: Fire.marshal@! phil.dyer@:
Co: Michael.Helton@ n, Candace.Coleman@:

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"DAVID

·Jeffrey W Stuck/AZÁWC/AWWSC

11/30/2009 04:05 PM

To phil.dyer@

CC

bcc

Subject RE: Anthem Fire Hydrant meeting

Thanks Phil, I just got back in town after a week off. Look forward to hearing the outcome of your discussion with the board.

Jeff

Jeffrey Stuck
Director of Operations - Eastern Division
Arizona American Water
15626 Del Webb Blvd.
Sun City, AZ 85351

phil.dyer@



phil.dyer@daisymountainfire. org

11/25/2009 12:25 PM

To Jeffrey.Stuck@

cc "Jessica Marlow"

Subject RE: Anthem Fire Hydrant meeting

MAXWELL"

, "DAVID

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phil.dyer@

Cc: Michael.Helton@a

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Jeff

Jeffrey W Stuck/AZAWC/AWWSC To phil.dyer@:

12/07/2009 01:52 PM

CC bcc

Subject RE: Anthem Fire Hydrant meeting

Phil, thought I'd check and see if there was any update you could provide.

Also, we are ordering at least on pallet of bottled water to donate to Daisy Mountain Fire. Where should we have that shipped? Thanks

Jeff

Jeffrey Stuck Director of Operations - Eastern Division Arizona American Water 15626 Del Webb Blvd. Sun City, AZ 85351

phil.dyer@c



phil.dyer@ org

11/25/2009 12:25 PM

To Jeffrey.Stuck@

cc "Jessica Marlow" MAXWELL" ·

Subject RE: Anthem Fire Hydrant meeting

"DAVID

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Sent: Thursday, November 19, 2009 11:58am

To: Fire.marshal@I

, phil.dyer@daisymountainfire.org

Cc: Michael. Helton@

Candace.Coleman@

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Jeff

Jeffrev W Stuck/AZAWC/AWWSC

01/07/2010 01:31 PM

To phil.dyer@

CC

bcc

Subject RE: Anthem Fire Hydrant meeting

Phil, I have a pallet of bottled water we'd like to donate for your use during emergencies. Who should I contact in your organization to make arrangements to get it to your storage yard? Thanks

Jeff

Jeffrey Stuck Director of Operations - Eastern Division Arizona American Water 15626 Del Webb Blvd. Sun City, AZ 85351

phil.dyer@



phil.dver@c

11/25/2009 12:25 PM

To Jeffrey.Stuck@a

cc "Jessica Marlow" < MAXWELL" <dave.maxwell(

"DAVID

Subject RE: Anthem Fire Hydrant meeting

Jeff.

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Have a great Thanksgiving.

Phil

----Original Message-----From: Jeffrey.Stuck@a

Sent: Thursday, November 19, 2009 11:58am

To: Fire.marshal@l

phil.dyer@

Cc: Michael.Helton@a

Candace.Coleman@

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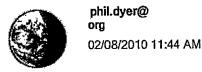
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Jeff



To Jeffrey.Stuck@adanny.johnson@adave.maxwell@a

CC

bcc

Subject RE: Anthem Fire Hydrant meeting

...History: 岛 This message has been forwarded.

Jeff,

Sorry its taken so long to get back to you. We (DMFD) are working on a MOU we can use to start our hydrant program, seems all of our board members have questions and concerns. As for the pallet of water please contact Logistics Chief Danny Johnson at Thanks.

Phil Dyer

----Original Message---From: Jeffrey.Stuck@a
Sent: Thursday, January 7, 2010 1:31pm
To: phil.dyer@c
Subject: RE: Anthem Fire Hydrant meeting

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Jeffrey Stuck
Director of Operations - Eastern Division
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15626 Del Webb Blvd.
Sun City, AZ 85351

phil.dyer@c
t
To
11/25/2009 12:25 Jeffrey.Stuck@c
PM cc
"Jessica Marlow"

-, "DAVID

MAXWELL" <dave.maxwell@c

Subject

RE: Anthem Fire Hydrant meeting

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Phil, thanks again for taking the opportunity to meet with us and discuss our fire hydrant maintenance program and how we might partner with Daisy Mountain Fire in the future. Below is my summary of the discussion and points of agreement we were able to reach.

Arizona American Water (AAW) inspects and maintains at least 50% of the 1026 fire hydrants in the Anthem service area annually. There is an opportunity to have your crews visit and flow test the 50% not scheduled for AAW inspection in a given year. This would ensure that all hydrants are inspected on an annual basis. To do this AAW will provide Daisy Mountain with tags for the hydrants that Daisy Mountain finds to be in need to maintenance during the course of flowing them. To accomplish this we will meet with you and your staff at the beginning of each calendar year and outline the hydrants AAW staff will be inspecting and maintaining. This in turn will identify the hydrants that Daisy Mountain Fire will be flowing and, where necessary, tagging for repair. This will ensure there is no duplication of effort and that everyone is able to manage the workload as appropriate.

At our annual meeting AAW will also provide information from our hydraulic model of the Anthem distribution system. This model allows us to generate the flow and pressure data associated with each fire hydrant in the Anthem distribution system. At this meeting AAW will also work with Daisy Mountain Fire to identify any hydrants that require full flow testing as the basis for updating and calibrating the hydraulic model. The model doesn't require calibration every year so full flow testing of fire hydrants will be reserved for model calibration or any other unique circumstance. This will ensure that water wasting is kept to a minimum wherever possible.

AAW will provide a draft template for gathering fire hydrant data to Daisy Mountain Fire for review and comment. After agreement, this form will be used by the Daisy Mountain Fire staff as they perform hydrant flow testing throughout each calendar year. This form will be transmitted to AAW where

the data will be entered into the AAW computerized maintenance management system (CMMS) which is the database used to track maintenance and equipment condition.

AAW is working to obtain model agreements with Fire Departments at other American Water systems. We can then use that to model a written agreement for the above activities, as well as any additional, between AAW and Daisy Mountain Fire.

Daisy Mountain Fire will also provide any feedback or suggested changes to the AAW Dry Barrel Hydrant Maintenance Practice.

I think this covers our major discussion points. Again, thanks for the meeting Phil, it was very productive and was a great opportunity to meet. Please let me know if you think I've misstated or omitted anything from our discussion.

We look forward to finalizing an agreement/MOU for this partnership in the very near future.

On a separate note, I am working with our vendor to secure a few pallets of bottled water that we can donate to your organization for use in cases of emergency/distress for those folks you are assisting. As soon as I get details of that I'll be in touch.

Jeff